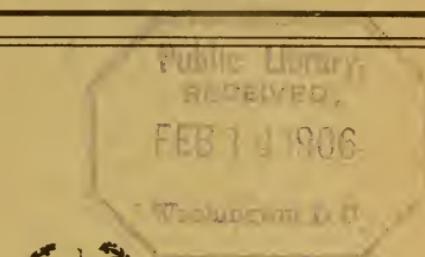


THE ORGANIZATION OF CAPITAL

Lecture delivered under the auspices of the Twentieth Century Club, at Faneuil Hall, Boston, Mass., November 20th, 1902.

By HERMAN JUSTI
Commissioner Illinois Coal Operators Association



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The Organization of Capital.

By Herman Justi,

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Beneath all discordance, beneath all social and political and industrial friction, beneath every minor note proclaiming the dissatisfaction of a people, lies ever and always the universal longing for harmony. It is the note that has been sustained through all the centuries since the creation and reminds man of the basic principle in the original cosmogony.

We know how the Creator of all things saw that they were good, and how, in the language of Dryden, the diapason of all harmony in the plan of creation closed full in man. It is not strange, therefore, that man clamors to-day for his heritage, in spite of the persistent interference of Adam, who sounded the first note of discord.

Out of the material which God first gave, from the smallest atom in nature up to the human heart and brain and brawn, and higher still to the spirit which inspires the whole, man has evolved a social system which has in it the elements of perfection. And yet we know that the system is still not perfect. Nor can

it be made perfect until every part, having its special function, has been so systematized as to become an harmonious part of the great whole. This must be accomplished through the agencies which dominate an organization of the forces employed.

In the industrial world these agencies are capital and labor, and that discord exists in the industrial world I ascribe to this: Labor is as yet but imperfectly organized, while Capital is not organized at all.

In view of the confusion in the public mind, produced by much that has been said in the prints and on the platform regarding the consolidation of capital and the organization of labor, a word of explanation may be necessary.

In a certain sense labor and capital have been organized or consolidated with different ends in view, but both are coldly selfish, capital having consolidated and labor having organized for the sole purpose of increasing respectively the dividends of capital and the earnings of labor. Neither has grasped the vital and primal motive which should actuate consolidation on the one hand and organization on the other—the necessity of dealing fairly, honestly and wisely with labor in its broad sense and as it applies to all who work with brain or brawn, and with all who go to make up what we call in general terms the public.

In the consolidation of capital the capitalist has said, in substance, preservation is the first law; let the public and labor look to themselves. In the organization of labor the laborer has said in substance, capital and the public are one, and the camel cannot pass

through the eye of the needle; I must look to my own salvation.

When capital is once duly considerate of the rights of labor, when labor becomes mindful of the protection due to capital, and when both are regardful of what is due the public, then it may be truthfully said that capitalists and laborers have organized to some good purpose and indeed have solved the so-called labor problem.

The following seem to me self-evident propositions:

Capital is entitled to protection and fair dividends.

Labor is entitled to favorable working conditions and to fair wages.

If these results are obtained for both capital and labor the public surely cannot suffer, provided the public at the same time recognizes that it also has some duties.

Under existing conditions there remains no other alternative; capital and labor *must* approach the issue with these ends in view or else look for a never-ending continuance of the perplexities which rob life of its serenity, industry of its profits, and, in the end, humanity of its food and raiment. This is no idle assertion when we reflect that vengeance is in the keeping of an omnipotent Providence who, according to His own assurance, will not fail to repay the children of men according to their deserts.

I trust I may be able, in the course of this address, to disclose the nature of this duty without employing figurative sign-posts to point out the application.

First of all, let me say that it is not my purpose to be either the eulogist or the apologist of the em-

ployer class, or the critic of the employee class. I shall rather essay the unpopular role of truth-teller to both, for in no other way can the best or the most faithful service be rendered. Both have been injured enough by flattery and neither has been helped by abuse. They are either bitter because they have suffered from the one or they are afflicted with self-sufficiency or self-complacency because they have had too much of the other. The plain, unvarnished truth alone can free them from conditions that have either been brought about by oppression on the one hand or by unreasonable exactions on the other. Neither is blameless; neither is either so good or so bad as it seems, or at least neither is so good or so bad as it is represented.

WHY CAPITAL SHOULD ORGANIZE.

To avoid all misapprehension of what is meant by organized capital, let me say briefly what is not meant by it. Organized capital, in the sense here used, is not synonymous with "trusts, combinations or pools." It does not contemplate any plan looking to the consolidation of firms or corporations,—to influencing the market values of stocks, or of regulating the prices of commodities. It can have no effect either upon prices or values excepting in so far as industrial peace may insure to them reasonable stability.

Here let me observe that I do not share in the general opposition to consolidation, nor do I share in sympathy for small industrial enterprises simply because they are small. I believe most of us have discovered that a mean man with

small means is apt to do more mischief than a mean man with large means, because he has less sense and generally uses poorer judgment. "The wave of good and evil," as the Sage of Concord observed, "washes all alike."

What really is sought to be accomplished through the agency of organized capital, in that sense in which I shall use the term, is to prevent strikes, lock-outs and serious friction, and to insure, as far as may be, peace and harmony in the industrial world.

To me it seems this can best be done by organizing the various industries of the country into voluntary associations. For example, the carpenters have a union,—let the builders or contractors have an association; the machinists and moulders have their unions,—let the manufacturers of machinery and the founders have their associations; the coal miners have their unions,—let the coal operators have their associations, and so on through every trade and industry. Let capital pattern after labor—organize. If labor has its chiefs,—so also let capital have its chiefs, and let them have their lieutenants; indeed let capital follow the example of labor even to the extent of employing a corps of "walking delegates."—Yes, let them go to the extent even of organizing a Federation of Industries to cope or co-operate, as the case may be, with the American Federation of Labor. What we need,—what we must have, is the collective wisdom and power both of capital and labor. (What I said on this subject at the "Conference on Industrial Arbitration," held under the auspices of the National Civic Federation, in Steinway

Hall, Chicago, December 17, 1900, seems to me still true. At that time I said:

"To me it seems that all efforts to permanently prevent strikes are almost certain to fail, unless labor and capital are both thoroughly organized, the strength of the respective organizations being so nearly equal that neither side can presume upon the weakness or unpreparedness of the other. The peace of nations, as we well know, is preserved by the fear which each nation has of "waking a sleeping lion," and a prudent dread of the consequences. The great powers of the world have approximately accurate information of each other's resources, strength and preparedness, and hence, wars in our day usually occur only between a giant on the one hand and an infant or decrepit nation on the other, differences between equally strong nations being left for settlement to diplomacy. The same is in a certain sense true of conflicts in the industrial world. Labor, while not perfectly organized and not so rich in resources as capital and therefore unequal to a protracted industrial war, is so much better organized than capital that in short, decisive conflicts, in continuous skirmishings, it usually comes out the victor. In fact, it is no exaggeration of the truth to say that the difference in favor of the organization of labor, as compared with the organization of capital for the purposes I have indicated, is as great as the difference in the discipline and power of the regular army and of a hastily improvised home guard."

Long ago Abraham Lincoln said: "This government cannot endure permanently half slave and half free." To-day we can say with equal truth: Industrial peace cannot be preserved with labor organized and capital unorganized.

CONSOLIDATION VERSUS ORGANIZATION.

If the strike in the anthracite region has proven nothing else, it has at least proven that *great consolidated capital* and *organized capital* are not identical, for if organized it would not have waited to defend itself against grave charges until public opinion had crystallized and was a unit almost against the operators. If organized it would have known the history of all such strikes, and particularly the strike occurring in the bituminous coal fields during 1897, and, knowing this, it would have made itself strong where capital in previous conflicts was notably weak. It would have known the value of diplomacy; it would have given strike news to the public through its own press bureau; it would have taken the public into its confidence; it would have taken nothing for granted, and it would have accepted as sincere some of the advice offered by business rivals in the bituminous coal fields. But as in the past, capital was suspicious of capital, so, even now, the operators in the anthracite field are distrustful of the operators in the bituminous field, a deplorable condition certain to continue until through tribulation they become, first reconciled and then united.

If further proof is necessary that the *organization* of capital and the *consolidation* of capital are not the same, and that, as I have contended, capital is not *organized*, let us consider the appeal recently addressed to the employer class of the country by D. M. Parry, President of the National Association of Manufacturers. This association is perhaps the largest and the most influential voluntary body of employers in

the United States. In his appeal President Parry informs the employer that no officer of his association receives a dollar in salary, except the Secretary, and that the office of President means a personal expense to himself of five thousand dollars each year, and that when the danger signal is flashed the members of the Legislative Committee of his association hurry to Washington, paying their own expenses.

Can it be fairly maintained, then, that this vast association of capital is really organized? Can this be called an *army* of capital when it has no weapons of defense—no munitions of war? Thus unorganized, thus unequipped, can it really be watching the interests of capital? Is it possible?

Such a body of men, though representing enormous wealth and the highest intelligence of the country, must take its cue from labor. How much more business-like is labor's management of such matters!

Take as an example the Mine Workers' Union of Illinois. It has 37,000 members, and each one of these pays into the treasury for the use of the union an average of eight dollars annually. This union, only one branch of the National organization of miners, has in its treasury at the present time over \$200,000, and this, too, after contributing, not from its special strike assessments but out of the treasury, \$25,000 to the strike fund in West Virginia, and \$50,000 to the strike fund in Pennsylvania.

It has, therefore, not only money and men, but it has officers and committeemen doing duty everywhere, all in close touch with each other and ready to act on a moment's notice. And what is true of the

miners organization in Illinois is true of organized labor everywhere. Organized labor here emphasizes the truth of the familiar saying: "In Union is Strength."

It is true such organizations of capital as I have suggested do exist even now, but they are so few in number that they are no more in comparison to the vast number of industries not organized, than a few drops of water to the great ocean. Still, these few organizations of capital, while limited in the means at their command—limited in their influence and power—have shown what can be done in restraining radicalism and in preventing friction between employer and employe, and their success is so marked that it should encourage the employer class in every trade and industry to do as these few have done—organize. If capital had been thus properly organized, the anthracite strike in Pennsylvania and the Freight Handlers' strike in Chicago would either have been wholly averted, or else a wise and honorable way would have been found to end them in much shorter time; for, depend upon it, a wisely organized association would in times of peace not only have prepared for war, but it would have had at command a plan of adjusting such troubles impossible to provide after serious disputes have arisen.

OBLIGATIONS OF THE CAPITAL CLASS.

Aside from mere considerations of self-protection, capital should organize, first of all, to discharge its obligations as the representative of a sacred trust. The capital class should be, if it is not, the intelligent class of the community, because its opportunities are greater and its means of improving these opportunities are the best. It

can, and it should, set an example which labor might gladly follow, and which the public would encourage and approve. But this is not possible unless capital organizes and, through the vast machinery of organization, becomes a great school to dispense information among the masses of the people and afford a striking example to them of self-restraint, fair dealing, industry and public spirit. Without organization, this, I say, is not possible, because capital can have and because it has, what labor has not—a divided interest—it is at war with itself, or, rather, it fails to make common cause as organized labor makes common cause.

The financial panic of 1893 has been described as a bankers' panic. In a sense this is true, for the fury of that panic can be easily traced, in many localities at least, to the desire of one bank to rise on the ruins of another. This unfortunate spirit of rivalry, I regret to say, is not confined to the banking community, but it, to a greater or less extent, pervades all industries, and notably so where there is no organization among kindred industries and so no proper basis of understanding among them. It is the destructive rivalry in the industries of our country which in the past has had the tendency to needlessly reduce the wages of labor, to impose upon it at times inhuman conditions, and thus to make it a dissatisfied class. The panic of 1893 was unnecessary and might have been averted if bankers had been organized for mutual helpfulness. Wages would seldom need to be reduced if capital were organized and the representatives of our industries had reached an understanding whereby a destructive, "cut-throat" practice of competition could be eliminated; for when this practice begins the wages of labor feel its first blighting effect.

It is unfortunate, but it is none the less true because unfortunate, that capital suspects labor, labor suspects capital, and the public suspects both. I believe most strikes could be averted if there was some way of proving to workmen the truth of the assurances of their employers that an advance in wages would mean financial ruin, or that the refusal to submit to a reduction in wages would necessitate suspension of work. If you can prove to them that the employer is really sincere and that he is not, as is too often the case, deceiving them, they will generally listen to reason. But they have been made much too often the scapegoat for the crimes or follies of others. It is not fair to punish labor where labor is not to blame, and when capital is to blame. It is right that labor should share in losses incurred where neither employer nor employe is to blame; but, even then, such losses can often, if not always, be wholly avoided or mitigated by the intelligent action of organized forces.

The purpose of such organization of capital is, therefore, to see if a way cannot be found not only to bring capital and labor to a better understanding, but, first of all, to get capital itself firmly established and able to present a united front to every danger.

A SYMBOL OF AUTHORITY.

Man's inherent respect for authority should be the best argument for the organization of capital. The uniform and arms of the soldier, the blue coat and badge of the policeman, command our respect—not necessarily because of individual worth, but because the uniform and arms of the soldier and the public official bespeak the authority reposed in the wearer by the government to

which we owe allegiance and which has the power to compel our respect; the public do not necessarily, and do not generally, respect the individual, but they yield a certain homage to the collective body of individuals; and the greater the number of individuals, the greater their influence and power—the more they are respected. Then, again, what is everybody's business is nobody's business, so that what is in fact the most important work in any department of industry is left unperformed.

The purpose of such organization of capital as I propose is therefore not to oppress, to repel, to antagonize, to make war; but to deal fairly, to conciliate, to preserve peace, to insure stability. Still if resistance is made to properly constituted authority or war is waged against accepted principles of justice, against wise business rules or economic laws, then a united and prepared force is at hand, and if prepared, there is less likelihood of hostilities.

It would be rank hypocrisy to say that capital should not or that it will not organize to resist or oppose organized labor, or pull away from it where it has already been recognized. It would be folly not to prepare for what is possible, and the less strong this organization, the more likely such a conflict.

The more perfectly capital is organized, now that labor is organized, the more honestly both sides will deal with each other, for capital must, first of all, be honest with self, and it must be organized to punish all of its own number who discredit the name of "honest business man."

Rich or well-to-do men are sometimes found who

belong to the class described by an old friend of mine. He often told, with keen zest, the story of a rich man about to die. Having concluded that he should prepare for the long journey via the Catholic Church, he sent for a priest. The priest arrived, proceeded to hear his confession, but the patient was so slow about it that the good Father plied him with question after question, and finally flatly asked: "My son, did you ever steal anything?"

"Well, no," replied the invalid, "I never exactly stole anything, but they do say I have been a pretty sharp trader."

It is just such a man as this, occasionally seen in real life, here and there, who brings discredit on the whole business community.

HIGHER BUSINESS STANDARDS.

If organized capital fails to make employers wiser and fairer, more intelligent and more generous,—if it does not, besides restraining them, increase their charitableness, their wise sagacity, their public spirit, then such organization must fail and will deserve to fail. The same is true of organized labor, because the whole legitimate purpose of organization is to place proper restraints upon its membership, and not, as many seem to think, to give such organizations power to overcome or to oppress its rivals, or to impose upon the public. Justice, therefore, is the one great essential in business life, for no other has an equal economic value.

Grave charges have been, at times, deliberately and seriously preferred against organized labor, in

effect that its members had been guilty of lawlessness,—of violating agreements,—of practicing petty tyranny, and these charges,—whether well-founded or unfounded,—have been denied with equal fervor. It is unfortunate that false charges should have been made, or that well-grounded charges have been denied, for the only way to meet charges founded upon fact is not to deny them, but to freely admit the truth regarding them, and to show a disposition to remove all grounds for suspicion and complaint. Unfounded charges soon fall of their own weight. There has been lawlessness, there have been violations of agreements, there has been practiced much petty tyranny, and what the labor movement, therefore, needs is not only what are called "leaders of men," but leaders of ideas. The labor movement, if it is to succeed, must have just such leaders who can rise above sordid interests or above the clamor for petty office, and who will tell the truth to their people, let it cost them what it may.

LABOR STILL IMPERFECTLY ORGANIZED.

I have said that labor is only imperfectly organized, and perhaps those who have read of the vast army of laborers belonging to the different unions and affiliated with the different federations of labor, will expect an explanation. Great numbers enrolled in various associations do not necessarily mean that these men thus enrolled are organized. Unless by association laborers are made more capable, more skilled, more saving of their earnings as well as of their health and strength, more respectful of authority,

more watchful of the interests of their employers, more thoughtful of the welfare of wife and children, more loyal to the true principles of their guilds, more obedient to the laws of the land, and more jealous of their country's honor, at home and abroad; these laborers might as well band into mobs and openly proclaim themselves hostile to their fellowmen, to country and to God. It will be infinitely easier to deal with a mob thus sailing under its true colors than with an association of so-called workmen pretending to be something they are not.

It cannot be truthfully said that labor is really organized until *organized labor is in practice what it is now in theory*.

Many of the members of the union may be appropriately likened to an old negro down in Kentucky, about whom the story was current years ago, that in prayer meeting one night he said:

"Bredderin' and sisterin', I been a mighty mean nigger in muh time. I had a heap er ups an' downs—specially downs—since I jined de church. I stoled chickens an' watermillions. I cussed. I got drunk. I shot craps. I slashed udder coons wid muh razor, an' I done a sight er udder things, but thank de good Lawd, bredderin' an' sisterin', I ain't never lost muh religion."

There are, it will be found, many members of the union who are guilty of all sorts of acts that reflect upon the standing and character of their organization, and they are willing to admit them, but still, like the old darky, the unionist will thank God, he has never yet lost the union card.

SPECIALISTS AND EXPERTS NECESSARY.

Why, then, shouldn't the employer class have its organizations dealing exclusively with wages and the conditions of labor,—organizations in charge of specialists or experts in labor matters,—a sort of labor bureau connected with every industry, and having some of the features of a weather bureau? Isn't it just as important to prevent friction, strikes and lockouts,—to protect capital against losses from such causes as to protect it by means of insurance against fire or flood or cyclone? Thus organized there is always someone on deck watching for breakers ahead, and the ship of commerce is not left rudderless to the mercy of wind and wave. As the pilot on the bridge obtains a clear view of the sea and of the horizon, so the representative of such an organization of the employer class, or the representative of an organization of the labor class should be able to detect incipient troubles in time to apply the remedy and to thus avert danger and injury. Thus organized such remedies will be at hand because experience will have provided them, and what is better still these remedies may not be at all required, because labor, like the human system, will have been carefully watched to the end that no disorders occur.

Assuredly this is an age demanding in the labor world the services of specialists and experts, for nowhere else have disorders in late years been so common, nor have they been so demoralizing. Our growth and development is so rapid that it is no longer possible in our large cities for one man to practice at one and the same time all branches and departments of medicine. These are now divided up into specialties, with the result

that all the energies and talents of the individual practitioner are concentrated upon his specialty. Can we doubt the advantage of such a system to the patient? With the rapid advance made in every department of business and in every profession, is it not strange that scientific knowledge has as yet been so sparingly applied to the labor problem? There is no problem of our day at once so many-sided and complex, and none other so important; and yet it is the one most neglected. Capital seems to have lost sight of the fact that when labor is demoralized or is idle trade is either deranged or entirely stopped.

THE CHICAGO FREIGHT HANDLERS' STRIKE.

Take, as an illustration, the recent freight handlers' strike in Chicago. Here trade was brought to a standstill, and the busy merchant or the manufacturer was forced to desert his desk and enter into negotiations with representatives of labor and he had to enter into negotiations with scarcely any previous warning and with no previous preparation. The representative of labor, on the other hand, had been thinking about nothing else for weeks and months but the advantages he expected to gain from the employer as the result of his demands. The strike of the freight handlers is said to have cost the people of Chicago ten millions of dollars. An organization of the employer class at that time might have been maintained, upon an elaborate scale, for \$50,000 or \$100,000 per annum, and it would not only have benefited the trade of Chicago and the labor employed in that city, but such an organization would have redounded to the industrial good of the entire country. But the

employer class, as a rule, is unwilling to do anything until heavy pressure is brought to bear—until war has been declared—and then it contents itself with some temporary adjustment which seldom, if ever, accrues to the ultimate good either of employer or employe.

It is true that during the freight handlers' strike the General Managers of the railroads centering at Chicago were, in an imperfect way, organized, but they could not be in touch with other bodies of employers, because there were none. That railroad companies, otherwise adopting, regardless of cost, whatever will save expense and protect life, are not organized to deal scientifically with the labor problem is surprising.

When this disastrous strike was over the newspapers contained hundreds of interviews with Chicago business men. The burden of these interviews was the same: "We must take precautions to avert a repetition." But it is the same old story, and these precautions have not been taken. Meanwhile, organized labor is getting stronger and the prejudice against capital grows ever and ever more bitter, each succeeding experience in industrial warfare illustrating the costliness and ultimate peril of unorganized resistance.

Of one thing we may be sure: If capital does not provide adequate organization, to deal wisely and fairly with labor, and labor does not eliminate from its organizations whatever is opposed to the laws of business and the Constitution of our country, the masses of the people, I venture to predict, will force the government to take a hand in the solution of the labor problem. Nothing could so seriously embarrass both—nothing could so much endanger much that is admirable in American

Democracy. Only by wise organization of both capital and labor is this calamity to be averted. As I have already said, labor is at present, though imperfectly, organized. Capital *must* organize, for, thus organized, it will save to itself millions upon millions of wealth and at the same time protect labor against the damaging consequences of its own folly. Human nature has not changed in the short time since capital had its own way in dealing with labor, and justice will continue to be usually denied to a weak rival or opponent. Therefore, the two must be as nearly equal in strength or power as possible.

As no man liveth to himself alone, so no separate system can be perfect which has its own good as its only ultimate goal, irrespective of the rights of others; and human forgetfulness of this fact is the secret of prevailing discord.

HOW THE LABOR PROBLEM IS NOT SETTLED.

The labor problem, we may be sure, will never be settled so long as labor sees only its wrongs and so long as capital sees only its interests. We cannot settle this problem by closing our eyes to our full and awful share of folly and crime, or by denouncing the oppressions of wealth or the tyranny of labor. Only by looking the issue fairly and fully in the face is a step forward possible. The great need of our times is to have all classes or elements in the industrial world having a common interest firmly united, and when capital is once so organized we shall see business methods adopted by labor unions everywhere. Already this is true of some of them, and therefore these are never heard of in the

noise and din of industrial conflict, because these have issued their interdict against strikes—much to their honor, and much to their profit.

After all, a large majority of the most disastrous strikes that have afflicted our country were primarily due to imperfect organization on the one hand and to no organization at all on the other. Strikes are generally distasteful to a majority of workmen—a majority of workmen usually oppose strikes—but a few zealots or radicals usually prevail. Why is this so? If you ask me why zealots and radicals so often control the unions, I will answer by asking you why are our large cities generally badly governed? It is because conservative citizens remain away from the primaries and often neglect to vote. The same is true of labor organizations. Their old and conservative members remain away from local meetings. I have much sympathy with the sentiment expressed by the indignant citizen who declared that he had more respect for the citizen who voted twice than for the citizen who didn't vote at all. I regret to say that I have known many employers, (and these, too, dealing with organized labor,) to encourage conservative union men in absenting themselves from meetings, thinking thereby the sooner to destroy the union.

That is not only not fair, but it is not wise. If we are to deal with unionism, we must deal with it fairly; and, if we deal with it fairly,—we must deal with it not sentimentally, but practically and with honest sympathy. We must, in fact, study it as a new system designed primarily for the benefit of wage-earners, but incidentally and naturally for both capital

and labor. A duty, therefore, rests upon the employer class greater and more vital than merely paying fair wages; it must help to make good citizens of the toilers who look to it for employment whereby they are to obtain their daily sustenance. To me it seems that organized labor, despite its mistakes, its weaknesses, its misdeeds, and even its crimes, has earned a fair and impartial trial. But it is not possible for it to long survive, unless its rival, organized capital, is so strong and wise that it will keep organized labor within proper bounds, and so save it from committing the folly of which capital was guilty when *it* was subject to no great restraining power.

THE BUSINESS IDEA MUST DOMINATE.

The business idea must pervade the whole fabric of organized labor if its success is to be permanent. If it is recognized, and employers enter into contracts with it, it must be able to supply all the labor and of every variety which the needs of the employer may require. If it cannot supply capable laborers in sufficient numbers, it should strive to help instead of hindering the employer. It must grow strong without any restriction to production, and without opposition to labor-saving machinery. It must be responsible to capital for every injury inflicted, just as capital is held responsible, or else it will be at once discredited.

Labor organizations must have a due appreciation of the value of time, particularly the time of active business men. The relations of organized capital and of organized labor will soon be dissolved if no more regard is paid to the value of the business man's

time than is shown for it in the coal-mining industry of Illinois, where, in making the joint agreements for the current year, 120 days were consumed in the Interstate, State and Sub-district Joint Conventions. No one appreciates the folly of such a course more than the officials of the Mine Workers' Union, but thus far they have been powerless to change it. Organized labor everywhere must help to bring about a better system, otherwise its good name must suffer.

Strong theoretical reasons why organized labor may be advantageously recognized may be easily supplied, but this is an intensely practical matter and something more than theory is demanded. It must, by its works, commend itself and be its own best argument. It must show that it always gives the best service; that it keeps its word; that it does successfully appeal to its members to rely upon the ballot, and not upon the bullet, or the boycott; that it obeys the laws and that it does not usurp authority or practice tyranny.

UNITED LABOR MUST STAND FOR CHARACTER.

There is nothing equal in importance to example. Society will ultimately either approve or disapprove of organized labor on the strength of the example given to it by organized laborers. If, when mention is made of skillful workmen, it can be said that they were always members of organized labor, then society will approve of the union and favor its universal recognition. So long as the union is popularized by making union labor the best, it will be triumphant, but whatever is gained to the union by permitting or encouraging inferior workmanship, or by tyranny, will be of

little permanent advantage. Organized labor must prove that it makes better workmen, that it gives better service to capital, and that unionism itself serves the workman to the best advantage. Unless union labor can prove its superiority, or at least unless it can prove that the quality of its work is equal to the best, then organized labor will fail to secure the support of the general public; even if, for the time being, it is recognized by capital, it must ultimately go down in ruin.

United labor must stand for character and it must not support within its ranks men without character. It may of necessity admit them, and it may to an extent protect them, but it must not defend or promote them. If the union is to be made a refuge for reckless agitators, indifferent workmen, or law breakers, then public recognition must soon be withdrawn. Nor must it encourage or permit lawlessness. Lawlessness has been winked at by labor just as perverts of the law have been condoned by capital. Labor has no right to defend wrong; nor has capital. Both must stand for truth and justice, and they must unite in a common purpose to punish guilt wherever found. Only then will capital and labor respect each other,—then only will capital and labor have earned public confidence.

ORGANIZED CAPITAL vs. ORGANIZED LABOR.

It may be asked why I am devoting so much time to the consideration of organized labor.

I must answer first, that organized capital becomes a necessity because of the existence of organized labor,

and it must therefore be shown why capital must organize. In the next place the conflict between organized labor and capital is to-day the all-absorbing question. The columns of our daily newspapers are a record of this conflict. It overshadows the tariff or the money question,—trusts or imperialism. It is the one burning question of our time that goes home to every fireside. But there is a further and a better reason for treating at length the subject of organized labor.

Inherently it has so much to commend it,—nothing necessarily to discredit it; practically there has been very much to condemn, much to praise, and yet only the minimum of good has been accomplished. The vital question is, can it fulfill its inherent mission? Can it accomplish the maximum of good? It can! How? By legislation?

No! Let Congress and State legislatures keep their hands off the whole labor question. It is a business question, which,—with no intention of disrespect to our law-makers,—can be better settled by capital and labor. Let capital organize, and this so-called labor problem will at once have been half solved. The rest will come just as soon as labor and capital have shown each other their proper places,—their limitations of power, and their obligations to society. It cannot be done otherwise, and it cannot be done one day sooner than such a process of education will permit,—you cannot hurry it a day or an hour if you should fill your statute books with the best laws that the wisest minds could devise.

ORGANIZED LABOR AN ACTUALITY.

Wherever labor has organized it has very generally lessened the burdens of the laborer, and has increased its earnings. In the isolated instances where capital has organized it has not, I admit, stopped the petty tyranny of union labor, but it has mitigated the evil. It has reduced greatly the number of strikes and lockouts, something certainly worth while. Where it has not stopped petty tyranny, the reason has at least become apparent and the remedy is now known; it is also known that this remedy is in the general organization of *all* industries; that the purpose of such organization is that labor and capital shall deal with each other as business men, in general, deal with each other,—business men who have something to buy or to sell.

But some men will say “we got along very well before the days of organized labor.” Very true, but organized labor is here and here it will remain unless it destroys itself. It is an actuality, and you cannot escape it if you want to. Capital cannot kill it, for it thrives on resistance. When it dies it will die by its own hand, and while capital might witness such an act with complacency, still we must not forget that suicides have been known to destroy their victims before committing their act of self-destruction. Organized labor, depend upon it, is here to stay, and it is the duty of every citizen to help make it an unqualified agency of good. The fault, if it is not made such an agency, becomes a fault common to us all and the penalty of failure falls upon all alike.

Such an admission can now be safely made for

the reason that we have reached a point in industrial evolution where a large percentage of employers and employes are looking for points of agreement instead of looking, as was formerly the case, for differences. Under the old dispensation it was injustice and strife and war; under the new dispensation it can, and I confidently believe it will, be justice, prosperity and peace.

THE RECOGNITION OF ORGANIZED LABOR.

But you ask: Should capital everywhere and at once recognize organized labor? I answer both "yes," and "no." "Yes," where it has proven itself worthy, and "no" where it has not, and it is easy to distinguish between the worthy and the unworthy; but the day of universal recognition can be hastened by labor itself, and it must be so hastened. Labor gains nothing in the long run where capital recognizes the union prematurely, nor does it gain from unreasonable concessions. Where this is done the union is apt to practice that ugly form of tyranny resulting from ignorance and arrogance. Again, it hurts the discipline of the union because many of its members are not schooled to accept such hasty recognition and such unreasonable concessions in a wise and conciliatory spirit; they would accept them as something wrested from capital, to be followed by further and equally important concessions each year.

In the hope of making my meaning clear, let me illustrate it by reference to an industry with which I am quite familiar,—the bituminous coal mining industry of the central states, viz.: Pennsylvania, Ohio,

Indiana and Illinois. In this vast field a disastrous strike occurred in 1897, continuing for many months, resulting in enormous losses to both capital and labor, losses resulting from time wasted and property destroyed.

This strike was followed by a joint convention held at Chicago, in January, 1898. "The joint interstate movement" was inaugurated at this time, and since then, miners and operators have met annually in joint convention, and have made joint agreements for the ensuing year. But the point I desire to bring out is, some of the enormous gains to the miner at this particular period of time. These gains were, among others, a very material advance in the mining scale and in the wages of day labor, an eight-hour day and general recognition of the union. In 1899 a further advance was demanded, but not obtained. In 1900, again an advance was demanded and obtained, which, according to Mr. Mitchell, amounted in the aggregate to \$20,000,000. An advance was again demanded in 1901, and also in 1902.

It is true an agreement was reached in the years when no advance was obtained, but with great difficulty, and notably so in 1902, when it required the combined influence of the conservative forces in the miners' organization to prevent a strike. And this in the face of the fact that the operators had submitted to the miners the following proposition: We will submit our books to an impartial commission, and if it appears that the average contract selling price for 1901 was not ten per cent less than in 1900, then an advance of ten per cent to the miners shall be granted, but if it is shown that

the decline in price of contract coal was ten per cent, or more than ten per cent, for the same period, below 1900, then there shall be a corresponding reduction in wages.

Whatever may be said of the wisdom of making such an offer or the wisdom of declining it, it at least proved that the operators sincerely believed they could not afford an advance, and the refusal of the miners to agree to it, and the further danger of a strike in spite of such a proposal, serve to show the danger of granting too much at one time. Now, I maintain, and I believe conservative labor leaders will agree with me—that gradual concessions, made year by year, covering, say, a period of three to five years, would have been better for a majority of the men, better for the discipline of the miners, better for the public, and infinitely better for the miners' organization. I emphasize the great advantage of such a course to the miners' organization, because I know how well nigh impossible it is for the conservatives to convince many ignorant miners, and miners unfamiliar with our language, as well as the radicals in their ranks, that an advance need not be expected and cannot be obtained every year. If these advances and improved conditions had come gradually, and the grant in each successive year of these improved conditions had been predicated upon the manner in which the miners fulfilled their agreements in the year closed—say, for example, a reduction of a half hour per day until the eight-hour day was reached, instead of an abrupt reduction from ten to eight hours—then the organization would have acquired an ever-increasing influence over its members that would have been a wholesome influence,

and its power would be a power for good. But as it is, the organization has that power which enables it to induce its members to come out on a strike at a moment's notice; and, however well intentioned the organization's officials may be, they may labor in vain for days or weeks to induce them to return to work. I have always maintained that the real complaint against labor organizations is not that the leaders have too much power over the men, but rather that they have not enough when it becomes necessary to enforce compliance with the agreements into which they deliberately enter, or to restrain them when they seek to accomplish a desired end by lawless means.

IDEAS NEEDED, NOT GREATER POWER.

After all, it is really not power they want so much as it is that something of which the East Tennessee parson stood sorely in need. The story, as I remember it, tells of a loud-preaching parson, who was calling upon the Lord to give him power. He wanted power, much power, divine power; in fact, he wanted all kinds of power, and he wanted it quick. He didn't hesitate to repeat himself to the Lord in longer sentences and in louder tones. Finally, one lean, long, lank East Tennessee mountaineer laid his hand on the pious and noisy suppliant's shoulder and said:

"Parson, you don't need power; you've got power enough. What you need is idees."

And what organized labor needs is not more power, but great, healthy ideas—wise, noble ideals.

Those who refuse to recognize organized labor need not be blamed, therefore, for hesitating to give it a trial

on the mere assurance that it is a good thing. This is plain enough to the initiated, who know that the union, once recognized, the employer class cannot withdraw voluntarily from the connection formed. If the union of the two is severed, it must be at the end of a bitter and costly struggle. Here may be fittingly applied the fable of the horse, which prayed that man might come to his assistance in his contest with the stag, and of the manner in which the man got on the horse and never got down again. So it is with the union: once recognized, either voluntarily or as the result of conflict, labor is, so to speak, on top and there it will remain until it has learned wisdom and moderation with years and association, or until a mighty conflict ensues.

SOBER SECOND THOUGHT.

Is it too much to hope that both capital and labor have learned moderation and wisdom since labor became an organized force? Shall they learn nothing by experience? Have they forgotten the history of African slavery in the United States, and how one of the greatest conflicts in the world's history might have been averted had men looked calmly at Henry Clay's great proposition? All who are interested in the subject know how earnestly and eloquently he pleaded that the government would appropriate \$25,000,000 toward the purchase of every infant slave, in order to secure its freedom. Without entailing loss to any living man or woman—by a simple process, slavery might have been allowed to die, and its death would have been far less tragic. But hot heads on one side advocated its immediate extermination, and irate owners of the opposing

factions sought to protect their property and perpetuate slavery.

We have hot heads to-day in the ranks of both capital and labor, and agreements are, therefore, difficult of consummation because each wants its own way. In the past, costly and bloody tragedies in the industrial world have ensued from seemingly trivial causes, and they will continue to repeat themselves in the future until the climax is reached in revolution, unless the sane representatives of capital and labor find a common ground of understanding.

I have unbounded confidence in the sober judgment of the American people. But that judgment, so excellent when applied, must be earnestly and vigorously applied. Organized labor must think less of great numbers in its ranks, and think more of the quality of its members. It must place skill and character above agitation and noise. Capital must organize and it must proceed to business. If it is wisely organized it has nothing to fear from organized labor. Then capital and labor will treat each other fairly, because they must; and if they do not, the public will make them. But if not properly organized the public may be deceived, as it at times has been deceived, misinformation having been offered and accepted as information—mere assertions accepted for facts.

These observations on the recognition of organized labor refer especially to what is known as "common labor," that being the class with which I am most familiar, and not to that class of labor requiring unusual skill or deftness—a class of labor really protected by naturally favorable trade conditions, as well as by the greater intelligence and influence of the laborer.

I am asked, what about the unorganized labor? What will you do with it? If the unorganized labor of the United States finds that it cannot consistently unite with labor organizations now in existence, then it should organize independently of existing unions. This is an age of organization, and unorganized labor, even though it represents, as is claimed, ninety per cent of the labor of the country, is absolutely helpless; and the tremendous advantage and the positive need of organization is easily to be found in the enormous power wielded by this ten per cent of labor now organized in the United States. If either capital or unorganized labor needs a further argument why it should organize, and if such argument cannot be found in this fact alone it will not be found at all.

INHERENT ADVANTAGES OF ORGANIZED LABOR.

I have not endeavored to file a bill of complaint—it has not been my wish to do so, and I hope I have not appeared to pass an unfriendly criticism upon organized labor. And I have not attempted to catalogue the industries of the country that now properly belong to the "organized capital" class. This is not the place to prefer specific charges against organized labor, and a description of the various experiments of organized capital should be treated in a separate and distinct discourse. But before dismissing the subject it is only right that I should give my reasons for believing that organized labor presents tremendous advantages of which organized capital should, and of which, no doubt, it will in time avail itself. In a general way the advan-

tages of dealing with labor collectively instead or individually should be apparent, and under the system of joint bargaining which is now in vogue in the bituminous coal field, it is reasonable to expect greater stability and longer periods of prosperity than is possible otherwise. Possibly I can best convey my meaning by repeating what I said on this head in my testimony before the National Industrial Commission, May 13, 1901. I said on that occasion that "*prior to the interstate joint movement chaos prevailed in the bituminous coal fields. The conditions throughout were demoralized. Labor was dissatisfied. Strikes and lockouts happened almost daily, and always occurred in one of two ways. There being no uniformity in the mining scale, in the wages of day labor or in mining conditions, the miners of one mine or of a set of mines would strike because they were getting less pay than the miners at some other mine or set of mines. Then, on the other hand, certain operators who were paying a higher mining scale than their competitors would often shut down their mines until their mining rate was reduced. As a consequence there was always a strike or lockout somewhere, and such a thing as industrial peace in the bituminous coal fields was unknown.*"

"Under the old system the more powerful operators could, and the less scrupulous operators did, take advantage of the miners on the one hand, and their scrupulous rivals on the other. That system not only encouraged unfair practices and threw into idleness tens of thousands of workingmen, but it crippled or bankrupted many honest coal operators."

"Severe as competition is found to-day in the bitu-

minous coal field, it has its limitations, which it did not have before. The reason for this is plain. Relatively speaking, every operator in the bituminous field pays the same scale of wages, the same mining scale, and is governed by the same mining conditions. Each operator therefore knows substantially what it costs his rival to produce coal, and hence the selling price must of necessity be more nearly uniform."

I do not wish to be understood as saying that this system of joint bargaining is perfect, nor do I contend that friction no longer exists, or that strikes and lock-outs cease to occur. But I do insist that it is at least a step forward. When capital generally organizes, and all the industries of the country work in harmony, standing unitedly for capital's God-given rights, but showing a willingness to render unto labor that which in justice and fairness is labor's; and when it also joins in a great campaign for education on sociological questions, then we shall see this splendid system of joint bargaining the accepted system everywhere and the ultimate solution of the labor problem.

DUALITY OF HUMAN NATURE.

We might as well realize and admit now that there are two natures in every personality, the good and the bad. If it were not for the fact that these two natures were always at war, we would all be perfectly good or monstrously bad. But for the fact that we yield to the bad influences in our nature, we would have no trouble in hearing the voice of our own conscience, but we are often deaf because we follow selfish inclination rather than resist it. It is because of this

duality in the atomic whole, made up of our individual peculiarities, that discord often runs riot and faction vies with faction to clarify the national conscience.

Herein the responsibility of the individual is increased, and he is brought face to face with the conviction that he is "his brother's keeper." As to the theory that "every man must work out his own salvation," it is no doubt all right in so far as it is a spur to our own individual energies, but if we apply it indiscriminately to our neighbors the advocacy of such a theory will certainly tend to make us uncharitable and unchristian, if not positively inhuman. If the employer, therefore, would seek to discover the proper disposition in the employe, he must himself possess the disposition and the intelligence to deal fairly and wisely, for in no other way can he hope to gain that confidence which becomes the axis on which great enterprises revolve. There is a courtesy of heart which is so finished in its outward expression that it seems akin to diplomacy, and the two are often confused. The employer who possesses either the one or the other never drives the employe and seldom hears threatening words. The time for diplomacy has arrived. The law of resistance is unchangeable, unyielding, and the successful solution of the labor problem lies more in method than in force. A wisely conceived, far-reaching educational propaganda therefore must be undertaken, and that at once.

EDUCATION A NECESSITY.

Unfortunately, we have too many men learned in the questionable science of knowing "how not to do a thing." The acquisition of wealth is oftentimes accidental, but a

large knowledge of economics must be, or should be, the force to distribute so potent a power as capital through the various channels of trade. The injudicious use of capital is responsible for many of the volcanic seasons of trade, when men, burning with the fever of speculation, and thirsting for larger gains, have ignorantly devastated great enterprises of fair promise, that might otherwise have benefited millions of human beings, themselves included. The financial history of our country records the panics of various decades, when men guilty of the sin of not knowing have lived through the tragedy of contemplating Herculaneums of rich promise buried under the blighting torrent of their own ignorance and folly.

After all, the most important work necessary to-day is that of educating our people on the vast problem of labor, and from the men in the most exalted stations of American life down to the lowliest toiler, all should come under the influence of the propaganda of education.

The education of the working classes is a necessity; but it must not be insisted that this education is something that is to be forced upon them. It must come in the form of information which they themselves are to seek and find. While education and information may practically mean the same thing, the adult masses might reject education as seeming to reflect upon their natural intelligence, or as something forced upon them against their will. We must not lose sight of the fact that the masses of the people are merely children, though men and women in years, and that children can be led but seldom driven.

To counteract the effect of much harm already done upon the minds of the masses, an educative medium

must be selected which will reach every layer in the vast strata of human society. We must not forget that there is a literary poison current in labor circles that calls for a powerful antidote, if that poison is not to destroy the best influences of wise and conservative leaders, or if it does not destroy the necessary respect for constituted authority—whether of their own labor organization, or of the employer, or even of our government.

This new teaching must find its way to the rostrum of church, university and public hall; it must find its way into the columns of the daily press and must become part of the education of the vast, varied and ever-growing population of our country.

Those who wish good to be done and who have worked toward this end under the direction of wise organization, could meet the exigencies of the times by resorting to the *pamphlet* for the dissemination of life-giving knowledge. These simple brochures, written by able men who have spent years in probing for the solutions to vital issues, could be widely circulated at small expense—small, when weighed in the fatal balance of ignorance. They are more valuable for this purpose, a thousand fold, than vast libraries, for these are beyond the reach of the masses. In fact, they may refuse to seek knowledge until they have once learned its value.

EMOTIONAL PHILOSOPHY.

Much complaint, and this generally from the capital class, is urged against the intermeddling of emotional philosophers. No well informed person—no one intimately acquainted with both labor conditions and trade conditions—will fail to observe these philosophers view

the whole question sentimentally, and not practically, and they accept what they hear of the worst conditions of labor as the general conditions, and the minimum wages paid as the only wages received. It is not strange, therefore, that however good the intention of many of these emotional philosophers may be, and admitting really the great good accomplished by them as the element in society that awakens us from our apathy, it is, nevertheless, true, despite their intention to help, that they are oftentimes a hindrance. It is easy to understand, therefore, that intensely practical people share the sentiments of "Frederick the Great," who on one occasion said, that if he wanted to ruin any of his provinces he would make over its government to these philosophers.

Any educational system to be adopted, therefore, must be so comprehensive as to reach labor and capital, press and people, pulpit and pew, teacher and student.

When men are rightly informed and educated on vexed and mooted questions, then will the foundation be laid upon which every industry can be successfully builded. False standards have been erected in the name of justice and right and under these cruel banners men have often marched to their own destruction with the simple faith of children.

The newspapers and journals of various kinds have often proven insidious mediums in deterring the progress of the proper organization of capital. These have often circulated articles written in good faith by men who have looked merely at the surface of great questions, and who have held with dangerous tenacity to the ancient adage that "money is the root of all evil," without formulating

for themselves an honest analysis of the oft-repeated assertion.

It were useless to contend that money has not been the root of much evil; but those who strive for organization seek to prove to the world the soul of good in this so-called evil. The Creator of all things stands accused before the sons of men if the gifts of His bounty are declared incapable of being turned into the channels of blessing. If dissatisfaction continues and the amelioration of all elements cannot be effected through a wise and liberal organization for the universal good of the masses, then man, and not God, is responsible for the prevailing discord.

WEAK LEADERS A CURSE.

There is an unwholesome idea prevalent in the minds of the unthinking and uneducated that the man who can create a riot is strong. This is a sad mistake. A weak leader can easily incite to riot; it requires a wise and powerful leader to prevent one. If we could implant in the breasts of the misguided followers of unwise leaders, honorable ambitions and the inspiring lessons of self-help, there would soon be no riots to quell and prosperity would seem within the reach of all. With the lessons of self-help inculcated a true estimate of the meaning and benefits of prosperity. The men who learn God's meaning of peace and plenty lose their ravenous appetites for abnormal wealth, find inner content, and become the bulwarks of the social organism.

When capital is once organized and spirits harmonized to work for the common weal, men will cease to look for the solution of the labor problem, for no such problem will exist.

Our first duty is to make a homogeneous population of one now heterogeneous; and this must be the work of the leaders in thought on all sides of the labor question, when they come together, with reverence for the work before them, to establish the remedies for various ills.

It were not well, nor wise, nor right, to cry out against complaints as long as irregularities and causes for complaint exist. Stagnant pools are breeders of disease. Constant agitation is necessary for the purification of ill-arranged conditions.

THE AMERICAN TEMPERAMENT.

The carping pessimist who avers with every fresh upheaval in the channels of trade, that destruction of the American commonwealth is inevitable, reckons without his host, in that he fails in his analysis of the American temperament. Though there is a certain immutability in the fundamental principles governing the human family, there are racial and national characteristics which cannot be overlooked but will assert themselves when the mills of the gods of trade seem to grind but slowly.

The blood which flows through American veins is the gulf stream which animates the spirit of the progress of to-day. This spirit has for its inheritance the multi-form coloring of an ever-active and complex traditional experience,—an experience which is not narrowed to the happenings of a few paltry decades, but which emanates from conflicts of a remoter past which will sway the history of all future time.

Possessing these inherited traits, the American of to-day has courage to restore order to all-seeming

chaos, and this has been illustrated by the many trials through which the country has already passed. Whenever the American people have by indiscretion or recklessness found themselves in the midst of complications of their own making, they have always managed to extricate themselves with surprising skill. Though good common sense and racial quick-wittedness cannot be denied, we are now sufficiently advanced in years as a people to show some maturity of judgment. If possessed of such maturity we must cultivate the foresight to avoid those more trying situations certain to arise in the experience of a great nation; difficulties so grave and complications so intricate that we shall not be able to so readily extricate ourselves as we have been able to do thus far under less complex conditions.

CONSERVATIVE TENDENCIES.

If the education of the masses of laboring men belonging to labor organizations could be made to keep pace with the educational progress of their leaders the labor problem would be a less difficult one of solution. But the great difficulty lies in the fact that the labor leader becomes, with experience, both progressive and conservative; then, if he is seen to retreat from his radical position and to take a position that is equitable and that can be justified by the existing conditions of labor and of trade he is often suspected, accused, denounced, and possibly dethroned by the great army of laborers whose progress along educational lines has not kept pace with his own. The result is, therefore, that either the labor leader is apt to be displaced or else he may consent to play the game of small

politics in order to retain his hold upon the masses of his craftsmen. The labor leader, like the politician, or so-called political leader, too often keeps his ear to the ground and lets his course be determined by what he conceives to be the popular demand.

It is fair to say that the chief grounds of objection urged against labor organizations by the employer class are identical with the chief dangers to the life of the organization itself. For example, the petty tyranny of the members of the union, annoying as it is to the employer, is as harassing and humiliating to the officials of labor organizations. Organized capital must, therefore, unite with organized labor in devising some plan whereby the whole loaf of labor can be thoroughly leavened. The too common complaint of inequality must be met and in a rational way satisfied, for it is the real or seeming inequality of conditions which is the chief source of discontent, here and elsewhere.

INEVITABLENESS OF INEQUALITY.

The most indestructible keystone upon which to build the future structure, the wise and judicious organization of capital, is the universal and earliest possible recognition of the unchanging fact, that conditions cannot be made equal. When the fact is once established in the minds of all classes and becomes as much a part of human consciousness as the existing light of day or warmth of the sun, then will the discouraged find hope and the undaunted optimist welcome his reward. The masses in America must learn that fortunes and conditions can no more be equalized than brain and brawn.

There is a *Via Media* in human life which is good enough to satisfy the ambition of the masses, and which seems within the reach of the majority of American citizens, but there are those who must attain the dizzy heights of abnormal prosperity or else suffer a discontent that is not divine in its spirit.

We might well emulate the spirit of the old negro who was asked, "What kind of a place do you covet in heaven, Uncle Dave?"

"Not so low, suh, dat the angels could step on me, an not so high dat I'd get dizzy and come tumblin'."

Classes, like individuals, overestimate their part of the service rendered in our social economy. The laborer argues that labor is more essential than capital because it creates capital, while capital on the other hand too often looks down upon labor as something it supports and sustains. In other words, labor is envious of capital, and capital is disdainful of labor. Here, then, is found one fruitful cause of strife between the two, and it is to be doubted if the cause can entirely be removed as long as human nature continues supremely selfish.

Human nature cannot be changed, but the excesses of supreme selfishness can be restrained. It would be foolish to hope and idle to try for the equal apportionment of all blessings. The centralization of wealth is one of the results of a growing civilization, about which there seems an inevitableness based upon a law as old as the creation,—that conditions cannot be made equal.

No more will all men be equally healthy, wise, learned, contented; but the health that one man enjoys may come to be considered as balancing the wealth of the

invalid; the peace of mind and freedom from want which are the blessing of some men certainly balance the ambitions or the cares of office of many much-envied public functionaries. It is needless, therefore, to try to equalize conditions to conform to a popularly erroneous idea, but we should concern ourselves with actual and hard and needless inequalities,—with the want, the poverty, the suffering of underpaid labor,—and with that discontent resulting from an absence of all reasonable and necessary comforts for the families of laboring men and laboring women. On the other hand, capital must be protected and allowed, unhindered, to earn all it can without injury to society.

INTERESTS NOT IDENTICAL.

The statement is often heard that the interests of employer and employe are identical; that they are mutual. If this be true, then surely capital deals unfairly with labor. But it is not true. It is only true to the extent that both capital and labor have steady employment. Beyond this the contributions are unequal, a fact which capital and labor both have recognized for centuries. The employer furnishes the capital; he furnishes from his own mind or he supplies from the minds of others the genius for conducting great business enterprises; and if he fails, his chances of retrieving his fortune are slight. In his prosperity he has acquired expensive or luxurious habits from which he cannot easily divorce himself. The odds against recovery are well-nigh overwhelming.

The laborer, on the other hand, furnishes skill and strength, or strength and endurance. These are his

capital, which the failure of his employer does not impair, and which, in our busy land, are not allowed to remain unemployed. The laborer has lost no prestige, which, alas! the employer sadly suffers, and under such conditions the laborer unquestionably has the advantage. Labor chafes under the consciousness that it is filling the coffers of Dives, and yet how can it be otherwise? We see the smaller town pour its treasure into the larger town; the poor earn their bread while they earn the rich man his capital. Our movements are ever but the tributaries to something vaster that lies beyond, and while we are animate beings, can no more be checked than the busy streams which feed the vaster bodies of water. We must not forget while recognizing that this is so, that it is part of the great system, and that we can, like the stream, if we keep within bounds, refresh and enrich our immediate environment. We are blessed with an intelligence that transcends physical forces, and through this blessing all men are equal, and, furthermore, we all well know, when we subject ourselves to careful self-examination, that by the practice of frugality and industry on the part of labor, and honesty and generosity on the part of capital, we can at least greatly reduce or minimize those inequalities in life of which we usually complain. As it is these inequalities which have been the chief cause of discontent, so it is a gradual ascension from poverty to the middle class, which must be brought about as the harmonizing influence in society.

MIDDLE CLASS THE CONSERVATIVE FORCE.

The conservative force in society after all is the great middle class, neither the very rich nor the very poor, but the class of men who, though they have homes and possibly small means, are obliged to work every day in order to preserve and protect their possessions. This is the class in our society which must save us from the excesses of the very rich who want to absorb everything, and from the very poor who want to destroy everything. A perfect vertebral formation is necessary in the anatomical structure to support the nerve centres and control cerebral strength and vitality. Without this force the human organism would fail in many of its functions, and the individual would but poorly discharge his obligations to the community. The middle class is the backbone of the social organism and vitalizes and animates many phases of the complex life of to-day. It affects no disguises and recognizes the sorry plight of those social jackdaws who don the plumage of peacocks and strut to excess before an exclusive little court where money reigns king, and pretence makes a merry jest with the baubles of the reigning sovereign.

Thanks be to God! all who own wealth do not prostrate themselves before the money king, for America's real aristocracy is not of the contemptible minority whose password is excess. The so-called aristocracy have erected their diminutive stage and are always before the public, presenting their little play as a valuable object lesson for the vast American audience; but their audience has learned that true aristocracy

lies within the human heart and can become the possession of all.

The needy and struggling poor must strive to reach a place in the ranks of the great middle class, and in proportion as they take their place the number of abnormally rich will be reduced. Thus can be brought about a more just and equitable distribution of the comforts of life. To reach the middle class does not necessarily mean plenty for the wage earner, but it can mean enough for daily needs. The first step toward plenty is the possession of a home,—a home that is your own, not only as a shelter, but to bring you into the property-owner class. When we are once property owners we become better citizens, because, having something to protect, we are the more anxious to establish and maintain stable government. The sooner young men own their homes, the sooner they become members of the great middle class, and this insures their manly dignity against the ignominy of asking alms or of selfishly seeking old age pensions.

In the final conflict, if a conflict ever comes between capital and labor, this great middle class will stand with whichever side has given the best example to the country of fidelity to duty and a strict observance of the laws of the land.

The man of salary as well as the wage earner seldom saves anything. This is true, in large cities, of the day laborer who gets \$1.00 per day; of the artisan who earns \$3.00 to \$5.00 per day; of the clerk who earns from \$50 to \$100 per month, and the superintendent or manager who gets from \$2,400 to \$10,000 per annum. Naturally we ask, why is this so? Is it not because

each one asks himself, on how little can I live, or what is the least that will suffice? When wage earners or salaried men decide how much they will save out of their earnings there will be some reason to hope that they will be transferred to the capital class. Here they will put a higher value upon their services and look more closely to the accumulation of a fortune.

Another reason why wage earners or salaried men are not, as a rule, money makers is because they give little thought to the first essential of money making, viz.: saving. The money maker, on the other hand, thinks of money making only. It is a life-purpose in itself.

Inability to accumulate a competency or a fortune (and that is what we call success) is too often attributed to some existing business system or to certain conditions under which we labor. Success, we must grant, is often determined by wisely conceived systems and favorable conditions, but, after all, individual effort, capacity and conduct are primarily and absolutely essential. These absent, any systems, however good, will be unavailing; and, where these attributes abound, we shall find strong men who succeed despite conditions or systems. There is much in knowing how to take hold of difficulties and how to make them stepping stones to success. The men who possess this ability laugh at the rough places in the path of labor.

HOW TO PROTECT THE FUTURE.

There are many thousands to-day who take comfort in the belief that the labor problem has its solution written on the page of an early future. If those

who cherish such a hope will renew their efforts toward its confirmation, the day may be nearer than we know, but woe to the complacent optimism that folds its pinions in this very material age of strikes and lockouts!

It was your own great "Autocrat," I believe, who said, that to reform a man we must begin with his great grandfather. The noble old Autocrat was right, and we of to-day should watch with parental care and solicitude the cradles of those infant enterprises which may contain the very germs of future triumphs. Just as the cradles of to-day are the tenements for the progenitors of future races of men, so the formative influences in connection with the labor problem may be the harbingers of the solution of this great issue a generation or two hence.

"He plants the tree who never sees the fruit," and if strikes and lockouts,—the tragic synonyms for discord,—are to be made things of the past, let us ascertain the sources from which they emanate and devise ways and means for their extermination.

Are we to remain laggards because we may not gather fruit from this tree we are to plant? Is it not enough for us to know that our grandchildren will enjoy its shelter and taste of its blessings?

Would to God it might become our ambition this very day and hour, here in this mother house of the republic, to cultivate a more intimate and helpful comradeship,—a greater neighborliness,—a stronger bond of brotherhood. Thus we might stand for our ideals, both in theory and in practice, and condemn the false, the dishonest, the hurtful usages that endanger human society, and bring to an end at least the voidable conflicts of capital and labor which in our day and time are disturbing our nation's serenity.



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